

Revision of Gross Domestic Product in 2026

On 30 September 2026, Central Statistical Bureau of Latvia released revised national accounts data time series from 2018 onwards.

GDP data are revised to improve their quality. Revisions may bring new or more detailed data sources into the calculations or address shortcomings in methods used previously. Methodological changes may involve improvements at national level or new guidelines at European level. The revisions ensure that GDP data are more accurate, reliable and comparable for domestic and international use.

The following revisions have been implemented:

1. revisions could affect all time-series:
 - 1.1. changes related to country-specific and transversal Gross National Income (GNI) reservations set within Eurostat's 2020-2024 GNI verification cycle;
 - 1.2. other changes related to other alterations in gross domestic product (GDP) calculation methods and data sources;
2. annual routine revisions related to calculation of 2024, annual estimate based on annual data sources.

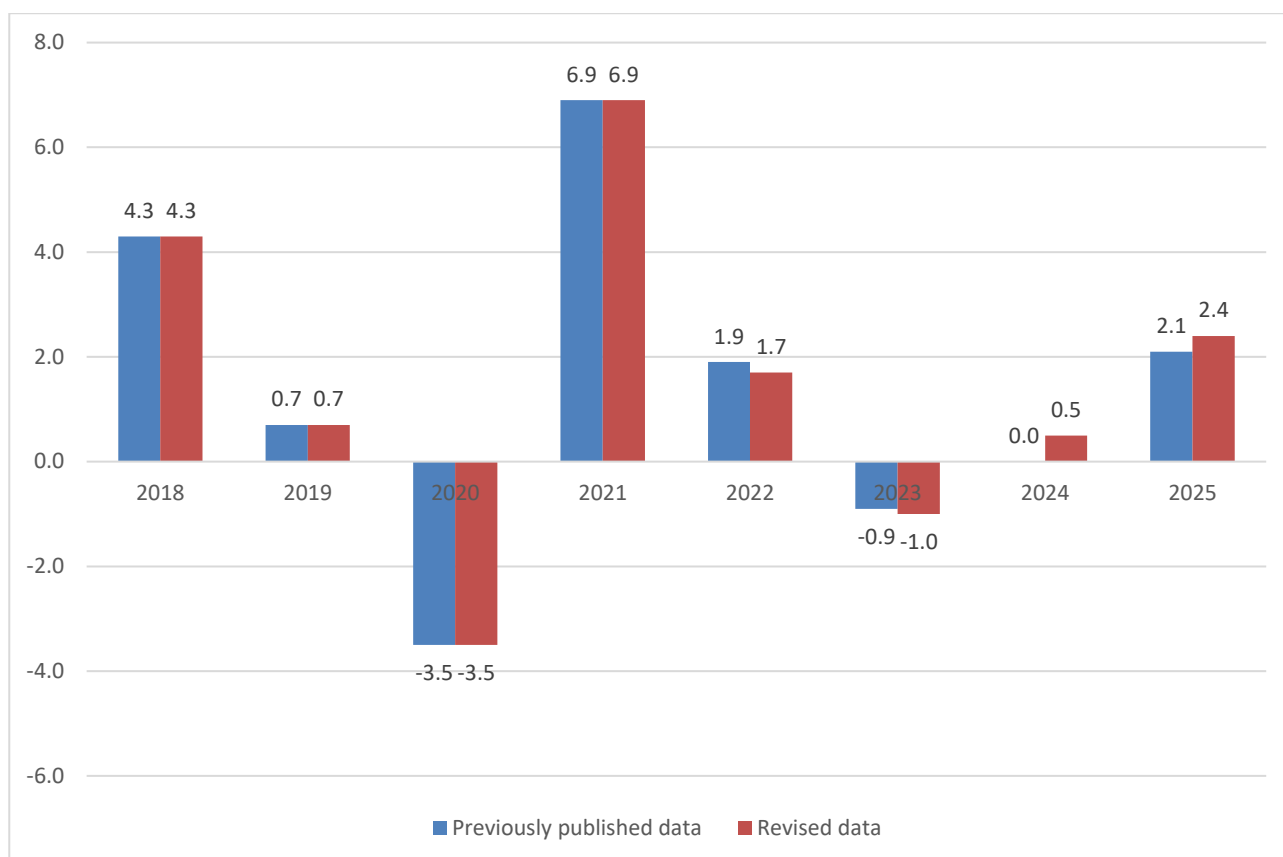
Revision of GDP in 2026 covered all national accounts time series from 2018 onwards. Its impact on GDP at current prices ranged from -0.2% to -0.03% in 2018–2023 and was $+1.1\%$ in 2024 and $+1.5\%$ in 2025 (see Tables 1 and Annex 1).

Table 1. GDP estimate at current prices prior to and after revision for 2018 - 2025, million EUR

Year	Prior to revision	After revision	Difference	Difference, %
2018	28 153	28 141	-13	-0.04
2019	29 567	29 559	-8	-0.03
2020	29 224	29 213	-12	-0.04
2021	32 284	32 273	-10	-0.03
2022	36 089	36 017	-72	-0.2
2023	39 564	39 475	-89	-0.2
2024	40 652	41 108	+456	+1.1
2025	43 026	43 654	+628	+1.5

For GDP growth rates, the impact of the revisions ranged from -0.2 to $+0.02$ percentage points in 2018–2023 and was $+0.5$ percentage points in 2024 and $+0.3$ percentage points in 2025 (see Figure 1).

Figure 1. Annual changes in GDP, at constant prices
(as per cent over the previous year)



1. Changes related to country-specific and transversal GNI reservations

The following GNI reservations were implemented during the revision process:

- transaction-specific reservation (1) Reviewing the recording of the funds for the Rural development programme (RDP);
- transversal reservation I. Production of electricity by households;
- transversal reservation II. Treatment of non-resident VAT traders.

1.1. Reviewing the recording of the funds for the Rural development programme (RDP)

To address the transaction-specific reservation concerning the recording of RDP funding, the CSB conducted a comprehensive review of support measures financed from EU funds. The classification of these support measures was assessed and reclassified in accordance with ESA 2010 requirements, refining their recording as subsidies, current transfers or capital transfers. The classification was also coordinated with experts responsible for Agricultural Economic Accounts statistics.

As a result of the analysis, a harmonised correspondence table was developed between ABB classification codes and ESA 2010 transaction categories, ensuring the consistent application of the classification across all years subject to revision and in future calculations.

The implemented changes were consistently incorporated into Government Finance Statistics and Balance of Payments Statistics, thereby ensuring a harmonised recording of EU fund flows across different statistical domains. The flows were reviewed on a cash basis. Further work will continue on

developing a methodology that would allow these flows to be recorded on an accrual basis, as required by the ESA 2010 methodology.

The impact on GDP aggregates is presented in Annex 1.

1.2. Production of electricity by households

To address the transversal reservation on household electricity production, a methodology compliant with ESA 2010 and Eurostat recommendations was developed and implemented in the national accounts. The methodology covers both electricity sold to the grid and electricity produced and consumed by households themselves, including the estimation of output, intermediate consumption, value added, final consumption expenditure and gross fixed capital formation.

As a result, household solar electricity production and related investments have been incorporated into the national accounts from 2022 onwards. The revision has a positive but relatively small impact on GDP aggregates.

The impact on GDP aggregates is presented in Annex 1.

1.3. Treatment of non-resident VAT traders

To address the transversal reservation concerning non-resident VAT payers, the Latvijas Banka and the CSB carried out a joint analysis using data from International Trade in Goods Statistics (ITGS), VAT returns, CSB statistical surveys and other data sources. ITGS records imports and exports according to the physical movement of goods across borders. In contrast, under the Balance of Payments and National Accounts methodology, goods are included in import and export flows only when a change of ownership has occurred between resident and non-resident institutional units.

A detailed description of the methodology applied is available here: https://stat.gov.lv/sites/default/files/Metadati/GNI_TRII_Treatment_NRVATT.pdf.

The impact on GDP aggregates is presented in Annex 1.

2. Other changes in methods and data sources

The main reasons of other changes in methods and data sources were:

- Macroeconomic Imbalance Procedure recommendations;
- Excessive deficit procedure action point on reclassification of one unit;
- revision of Balance of payments data due to changes in data sources and/or resulting from analytical work;
- revision resulting from the identification of source data issues for three enterprises during National accounts analytical work;
- revision due to the identification of a compilation error in the National Accounts for 2023, arising from structural changes in direct data sources.

2.1. Macroeconomic Imbalance Procedure recommendations

To improve the quality of Latvia's Balance of Payments statistics, Latvijas Banka developed and implemented methodological enhancements in accordance with the recommendations of the Macroeconomic Imbalance Procedure.

The impact on GDP aggregates is presented in Annex 1.

2.2. Excessive deficit procedure action point on reclassification of one unit

One institutional unit was reclassified outside the general government sector from 2022 onwards following a reassessment of its market/non-market status. The revision was based on evidence that the company operates under competitive market conditions, finances its activities independently, bears commercial risks, and covers its costs through market sales.

As a result of the reclassification, several national accounts aggregates were revised, including output, gross value added and government final consumption expenditure. The impact on GDP was negligible (see Annex 1).

2.3. Revision of Balance of payments data due to changes in data sources and/or resulting from analytical work

Revisions related to other changes in methods and data sources in the Balance of Payments statistics were introduced following data validation and analytical review processes. The revisions reflected the incorporation of updated source data and the resolution of inconsistencies identified through time-series analysis.

The revisions affected exports and imports of goods and services, while there was no impact on GDP (see Annex 1).

2.4. Revision resulting from the identification of source data issues for three enterprises during National accounts analytical work

The revision was undertaken following the identification of data quality issues for three enterprises during validation and quality assurance activities. For two enterprises, inconsistencies were detected through time-series analysis of the 2024 results compared with previous reporting periods, while for the third enterprise the need for corrections was identified through the analysis of discrepancies between financial and non-financial accounts in cooperation with the Latvijas Banka experts.

The revisions affected output, intermediate consumption and gross value added. The impact on GDP was negligible (see Annex 1).

2.5. Revision due to the identification of a compilation error in the National Accounts for 2023, arising from structural changes in direct data sources

The revision was implemented following the identification of a compilation error in the Non-Profit Institutions Serving Households (NPISH) sector for 2023 during the preparation and validation of the 2024 data.

The error resulted from the incomplete implementation of changes in the source data structure following the introduction of new reporting requirements, leading to an undercoverage of intermediate consumption expenditure in the national accounts compilation process.

Following the identification of the issue, the affected estimates were reviewed and recalculated, resulting in revisions to intermediate consumption, output, compensation of employees and NPISH final consumption expenditure. The impact on GDP was negligible (see Annex 1).

3. Annual routine revision

The main changes are related to the calculation of the GDP estimate for 2024, which is based on annual data sources such as annual report data from enterprises, revised balance of payments data, government finance statistics, and other data sources.

The impact on GDP aggregates is presented in Annex 1.